

State of California

DWCNewsline

Division of Workers' Compensation
Casey L. Young, Administrative Director

455 Golden Gate Avenue, Fifth Floor, San Francisco, CA 94102 (415) 703-3731

Bulletin 94-0
January 3, 1994

New Year Brings In New Regulations

The Division of Workers' Compensation has filed regulations with the Secretary of State to implement the workers' compensation reforms enacted in 1993.

The regulations will implement a number of the reforms which were designed to significantly reduce costs to employers and fund the benefit increases for injured workers. The regulations filed with the Secretary of State are enclosed, and include:

- o Certification of Health Care Organizations. This set of regulations outline the standards and procedures for health care organizations to become certified to provide managed care to injured workers. This will begin to implement the part of the reform legislation designed to bring managed care to California's workers' compensation system, slowing the fast growing medical component which now accounts for nearly half the cost.
- o Vocational Rehabilitation. This set of regulations implements the numerous changes in the rehabilitation benefit, the most significant of which is the change to maximum expenditure caps. The reform legislation anticipates considerable savings from the changes implemented in these vocational rehabilitation regulations.
- o Medical-Legal Evaluations. These regulations clarify how medical-legal evaluations will be obtained and paid for under the new law. The excessive number and amount paid for these evaluations was a significant issue addressed in the reform legislation.
- o Treating Physician Evaluations. These regulations specify the role of the primary treating physician in preparing evaluations for the purpose of determining the amount of compensation payable to injured employees. The reform legislation placed considerable reliance on treating physician evaluations as a means of reducing the cost of medical

evaluations, including a presumption that a treating physician's opinion is correct in any dispute with a non treating evaluating physician.

- o Claim Form. These regulations provide the mechanism to dismiss old claims which are not being pursued, but are adversely impacting the premiums of employers against whom the claims were filed. A new claim form with additional information, including the claimant's social security number, is also promulgated in these regulations. (NOTE: Stocks of the old claim forms may be used until exhausted.)
- o Benefit Notice. These regulations update the information which must be sent to injured employees to keep them informed as to the status of their claim, and allow claims administrators the flexibility to create personalized letters or notices providing the required information.
- o Fraudulent and Misleading Advertising. These regulations clarify and provide the mechanism to enforce the laws against fraudulent and misleading advertising designed to encourage the filing of workers' compensation claims.

Additional regulations are being refined and will be adopted within the next few weeks. These include regulations (a) revising the rules governing audits of claims administrators, (b) creating a fee schedule for interpreters, (c) revising the rules governing permanent disability evaluations, and (d) updating the fees for obtaining documents or records from the Division of Workers' Compensation.

It is anticipated all pending regulations will be adopted by the end of January, when the Division of Workers' Compensation will be sponsoring a series of educational seminars on the new rules, as well as on the new Official Medical Fee Schedule. A copy of the announcement for these seminars is enclosed.

###